

Message Text

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ACTION AF-10

INFO OCT-01 ISO-00 L-03 H-01 EB-08 EUR-12 COME-00

TRSE-00 CIAE-00 INR-10 NSAE-00 /045 W

-----125441 062004Z /46

R 061238Z MAR 78

FM AMEMBASSY CONAKRY

TO SECSTATE WASHDC 4073

C O N F I D E N T I A L CONAKRY 0434

E.O. 11652: XGDS-1

TAGS: EINV, PINR, EMIN, GV

SUBJECT: GUINEAN BAUXITE MINING -- CBG SHIPPING CONTRACT

REF: STATE 050058

1. FNR DEPARTMENT'S BACKGROUND, NIELS BANG IS "CMNTRO-VERSIAL" FIGURE WHO HAS BEEN ATTEMPTING TO OBTAIN THE 50-PERCENT SHARE OF BULK CARRIAGE OF CBG BAUXITE OF WHICH, UNDER CBG BYLAWS, GOG DESIGNATES SHIPPER. BANG, WHOSE OFFICES AND RESIDENCE HAVE BEEN IN ATHENS IN RECENT YEARS, WAS FORMERLY A PARTNER IN MIXED GUINEAN-FOREIGN COMPANY "AFROBULK", PREVIOUS GOG-DESIGNATED SHIPPER. BANG DROPPED OUT OF AND DISSOLVED "AFROBULK" CONTRACT IN ATTEMPT TO GET MORE OF HAULAGE FOR HIMSELF. HE HAS BEEN BACKED BY GOG MINISTER OF MINES KABASSAN KEITA, WHOSE INTERNAL RIVALRY WITH MARCEL CROS, OFAB DIRECTOR, AND POSSIBLY OTHER BACKERS OF OTHER FOREIGN FIRMS, HAS COMPLICATED ISSUE. BANG HAS TRIED TO SIGN CONTRACTS WITH NORTH AMERICAN HALCO PARTNERS (ALCAN, ALCOA, MARTIN MARIETTA) INDIVIDUALLY (CBG PARTNERS CANNOT CONTRACT FOR HAULAGE COLLECTIVELY OWING TO U.S. ANTI-TRUST LASW). BUT HIS PRICE (7-8 DOLLARS PER TON VS. 4-5 DOLLARS NORMAL GOING RATE) IS EXHORBITANT AND HALCO COMPANIES HAVE REFUSED TO SIGN WITH HIM, INSTEAD CONTRACTING BAUXITE TRANSPORT THEMSELVES AS CBG BYLAWS GIVE THEM THE RIGHT TO DO IF, CONFIDENTIAL

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AS THE PRESENT CASE, THE PRICE OF THE GOG-DESIGNATED COMPANY IS "UNCOMPETITIVE". BANG, WHO EMPHASIZES HIS CONNECTIONS IN GOG IN CASUAL CONVERSATIONS, IS RUMORED TO BE IN FAVOR WITH CERTAIN GOG MINISTERS BECAUSE OF THE PERSONAL GIFTS (HAULING IN CONSUMER GOODS AND BUILDING MATERIALS PRIVATELY); HOWEVER, IT IS ACKNOWLEDGED THAT UNDER FORMER "AFROBULK" ARRANGE-

MENT, GOG DID NOT BENEFIT MUCH AND GOT A PROBABLY
INEQUITABLE SHARE OF PROFITS.

2. EMBASSY SHARES WARD'S VIEW THAT ISSUE IS NOT RPT NOT
A REALLY MAJOR MATTER OF DISAGREEMENT IN CBG'S OPERATIONS.

3. U.S. STEEL SUBSIDIARY "NAVIOS" IS CURRENTLY COMPETING
FOR SHIPPING CONTRACTS. AS THIS IS ONLY U.S. FIRM IN
COMPETITION, EMB PLANS GIVE NORMAL SUPPORT TO U.S. STEEL
EFFORT.
MAINLAND

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BAUXITE, MINING, CONTRACTS
Control Number: n/a
Copy: SINGLE
Draft Date: 06 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978CONAKR00434
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: X1
Errors: N/A
Expiration:
Film Number: D780101-0169
Format: TEL
From: CONAKRY
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t197803104/aaaadkbs.tel
Line Count: 73
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: fc39f8b7-c288-dd11-92da-001cc4696bcc
Office: ACTION AF
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 78 STATE 50058
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 26 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3110587
Secure: OPEN
Status: NATIVE
Subject: GUINEAN BAUXITE MINING -- CBG SHIPPING CONTRACT
TAGS: EINV, PINR, EMIN, GV
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/fc39f8b7-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014